Postlethwaite

Case Study
Parsons Bakery

OUR SERVICE:
Employee Ownership

BUSINESS SECTOR:
Manufacturing & food retail

The business

Founded in 1926, Parsons Bakery is one of the South West's most loved independent bakery businesses. Family owned for four generations, the business has grown to 50 stores across the region and employs more than 400 people.

Approaching its 99th year of trading, Parsons has built a reputation not only for quality baking, but also for its strong people-first culture and deep roots within the communities it serves.

Having stepped back from the day-to-day running of the business several years earlier, owners Nick and Nicola Parsons had already begun a carefully planned leadership transition, empowering the senior management team and developing the next generation of leaders within the business.

In 2025, the family made the decision to transition Parsons Bakery to employee ownership, ensuring the business would remain independent and continue to thrive for generations to come.

As Nick Parsons explained, the business was left "in the hands of the people who bake, serve and keep it running every day."

Parsons
bake the good stuff

Why Employee Ownership (EO)?

For the Parsons family, employee ownership represented the best possible way to secure the long-term future of the bakery while protecting its culture, people and independence.

After exploring a range of succession options, including trade sale and private equity investment, employee ownership stood out as the most natural fit. Previous experiences of acquisition had highlighted the challenges that can come with culture clashes, restructuring and reduced headcount – outcomes the family were determined to avoid.

The key motivations behind the transition were clear:

- Securing the future of Parsons Bakery
- Keeping the business independent
- Leaving the company in the hands of those who know it best
- Protecting the culture and values built over generations
- Rewarding the employees who contribute to the bakery's success every day

Nick Parsons had long believed that the success of the business was driven by its people. The company's "grow our own" approach to leadership development had already created a strong senior management team capable of leading the business forward.

The transition was therefore planned carefully over more than a year, allowing time for leadership succession arrangements to bed in before completion. The senior leadership team were informed 18 months ahead of the transaction, with the wider workforce engaged six months before completion through a structured communication programme across the business's many locations.

The move to employee ownership also reflected the family's desire to preserve the legacy of a business that had been part of the South West community for nearly a century.

As Nick explained: "It didn't feel right for the business to be sold. This way, the employees who make the business what it is get to share in its success going forward."

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How does it work?

Parsons Bakery is now 100% owned by an Employee Ownership Trust (EOT).

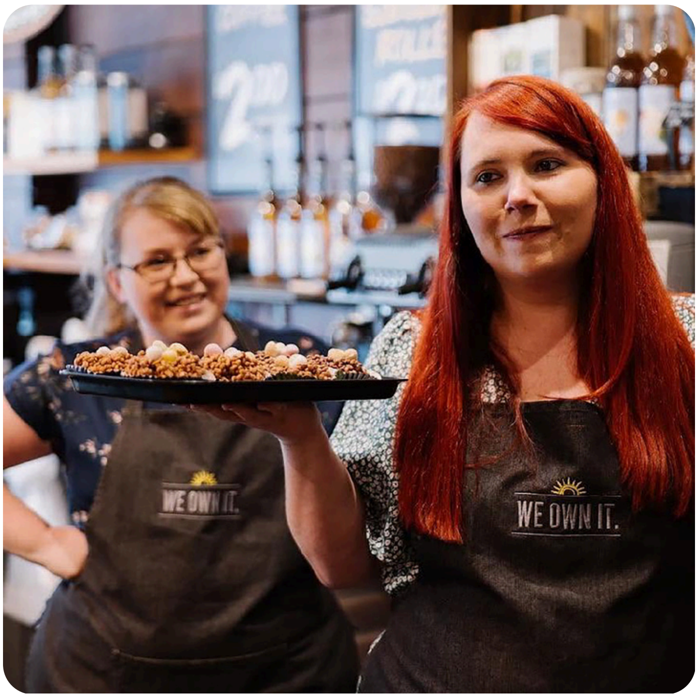
Under the EOT structure, the trust holds the shares in the business on behalf of all employees, ensuring the company is run for the long-term benefit of its people. The model allows profits to be reinvested into the business while also enabling employees to benefit directly from its ongoing success.

A governance structure was established to support the transition, including the creation of informal feedback sessions with various groups across the wider team. This provides employees with a voice in discussions with the Trustees on matters affecting the workforce and the future direction of the business. Longer term they hope to set up a more formal approach with an Employee Council.

The transition was supported by a carefully phased handover process. Having already stepped back operationally several years earlier, Nick and Nicola Parsons were able to give the new leadership team the space and confidence to continue leading the business independently.

The result is a business that remains rooted in its communities, led by an experienced management team and owned by the employees who contribute to its success every day.

One year on, the transition has proven to be a positive step for both the business and its people, securing the future of Parsons Bakery while preserving the culture and values that have defined it for almost 100 years.



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